

City of Corunna
Regular Council Meeting
Monday, May 17, 2004

Present: Corey, Johnson, Lantis, Mehigh, Runyan, Sanderson, Wagner.

Absent: None.

Guests: Joe Sawyer, City Manager; Judy Horton; Shirley Sanderson; Larry Friess; Chuck Long; Keith & Diane Johnson; Bob Buschman; Bob Striggow; Bob & Sharon Morehouse; Chief Mark Hetfield, Police Department; Millie Taute; Sgt. Kevin Clark, Police Department; Bernie & Pat Yott; and other concerned citizens.

The meeting was called to order in the City Council Chambers by Mayor Corey at 7:00 p.m.

MINUTES OF THE PREVIOUS REGULAR MEETING: Johnson moved, Wagner seconded to approve the previous regular meeting minutes dated May 3, 2004 as presented.

Roll call vote:

Yes: Wagner, Johnson, Sanderson, Runyan, Lantis, Mehigh.

No: None.

Motion CARRIED

AGENDA APPROVAL: Wagner moved, Johnson seconded to approve the agenda as presented.

Roll call vote: Yes: Lantis, Runyan, Mehigh, Wagner, Johnson, Sanderson. No: None.

Motion CARRIED

APPROVAL OF VENDOR DISBURSEMENTS: Wagner moved, Johnson seconded to approve the vendor disbursements as presented.

Roll call vote: Yes: Runyan, Wagner, Lantis, Sanderson, Mehigh, Johnson. No: None.

Motion CARRIED

CALL TO AUDIENCE: Keith Johnson, 211 Hastings Street, stated it was his understanding that things may be cut in the budget and that was his reason for coming tonight. A month or two ago he threw away three different surveys for a 10-year period of time that he wished he would have kept to give to the city. He further stated the three surveys had one thing in common; people want to pick up a phone and get a policeman, fire truck or an ambulance to respond to their house. The people were concerned back then about services and that is what taxes are paid for. He also stated he looks at what he is getting for his money as a tax paying citizen and he thought everyone else does too. He hopes whatever the city council decides to do with the budget tonight that the city council will look at what the city will do for the taxpayers. Mr. Johnson advised he was sure that the city staff is good and wished

everyone could get a raise but the council needs to look hard at what is really needed in the community. He further advised the city council is an extension of the citizenry nothing more or nothing less and the council has to vote that way no matter how council feels about one another because the council is here to represent the citizens.

Larry Friess stated he noticed some numbers on the catch basins around town and asked if cameras were sent through them again. Mr. Sawyer advised the numbers should be on the sanitary sewers that were videotaped. Any numbers on the catch basins would not have anything to do with the city. Mr. Friess asked if all of the sewer lines were videotaped including Comstock Street. Mr. Sawyer advised yes everything was videoed. Mr. Friess asked what happened to the videos that were done back in the 70's and asked if the lines moved. Mr. Sawyer advised video technology has changed just a tad bit than 25 years ago. Mr. Friess advised he stood in the trailer and watched the guy videotape and this guy looked like he knew what he was doing. He further advised when McArthur Street was done about five years ago, the wrong cover was put on the sanitary sewer in the middle of McArthur Street and he has been down to city hall several times to find out when the holes were going to be plugged. The holes are still there and when the street floods, the water runs into the sanitary sewer and since the city is so worried about infiltration into the sanitary, nothing seems to get fixed.

Bob Morehouse stated it sounded like an item number four was added to the agenda and asked if the people have the right to know what the item was or not. Mayor Corey advised yes and explained the additional item was to consider an appointment to the Corunna Planning Commission.

PLACE AMENDMENTS TO THE CITY FEE SCHEDULE ON THE JUNE 7th AGENDA: Mr. Sawyer advised the purpose of this agenda item is to give public notice that the city would be looking at the city fee schedule at the next meeting. Wagner moved, Sanderson seconded to place adoption of the City Fee Schedule on the June 7th, 2004 council agenda. Roll call vote:
Yes: Sanderson, Mehig, Johnson, Lantis, Wagner, Runyan.
No: None.

Motion CARRIED

CONSIDER APPOINTMENT OF DONALD VANHORN TO THE CORUNNA PLANNING COMMISSION: Johnson moved, Runyan seconded to appoint Donald VanHorn to the Corunna Planning Commission to serve at the pleasure of the council for a term to begin upon the taking of the oath of office and continuing until December 31, 2005 or until a successor is appointed. Roll call vote:
Yes: Mehig, Lantis, Runyan, Johnson, Sanderson, Wagner.
No: None.

Motion CARRIED

MANAGER'S REPORT: Mr. Sawyer reviewed the city calendar, advised the Voyageur Encampment is scheduled for June 3, 2004, an AFSME negotiation date had been set for June 2 at 9:00 a.m., and a mediation session with the POLC is scheduled for June 7.

7:15 P.M. PUBLIC HEARING – ADOPTION OF 2004/2005 TAX RATES (TRUTH IN

TAXATION): Johnson moved, Runyan seconded to leave the regular session and enter a public hearing for the discussion of the adoption of the 2004/2005 Truth in Taxation.

Roll call vote:

Yes: Johnson, Sanderson, Wagner, Mehig, Runyan, Lantis.

No: None.

Motion CARRIED Time was 7:15 p.m.

Mr. Sawyer reviewed the 2004/2005 millage rates. Wagner moved, Johnson seconded to close the public hearing discussion for amendments to the 2004/2005 Truth in Taxation and return to regular session.

Roll call vote:

Yes: Wagner, Johnson, Sanderson, Runyan, Lantis, Mehig.

No: None.

Motion CARRIED Time was 7:18 p.m.

FOREST MANAGEMENT COMMISSION DISCUSSION: Mayor Corey explained his proposed language changes to the Forest Management Commission ordinance. He further explained since the ordinance did not mention when the election of officers take place, he suggested the first annual meeting. He also suggested changing the ordinance to include that the commission shall keep minutes of each meeting and that the commission shall meet on a monthly basis. Mr. Sawyer advised there might be other areas in the ordinance to review. Councilperson Lantis asked if there was any paperwork she could get from city hall, which shows what was budgeted for trees. Mayor Corey advised she could get that information from Mr. Sawyer. Councilperson Mehig asked if anyone from the commission had contacted the Michigan State University because they offer free training for students. Ms. Lawson advised the city has a Master Gardener that is in charge of the Shiawassee County area and this person is free to the city at this point. Mayor Corey asked council if they wanted to revisit this issue. Councilperson Wagner stated he felt the item should be revisited. Mayor Corey suggested discussing this item at the next Committee of the Whole meeting on May 24. Mr. Sawyer stated it might be fair to ask the Forest Management Commission to review the ordinance first and suggested that the council put this item on hold until he and Ms. Lawson have a chance to talk to the Forest Management Commission.

7:30 P.M. PUBLIC HEARING – 2004/2005 BUDGET ADOPTION: Johnson moved, Wagner seconded to leave the regular session and enter a public hearing for discussion of the 2004/2005 budget.

Roll call vote:

Yes: Lantis, Runyan, Mehig, Wagner, Johnson, Sanderson.

No: None.

Motion CARRIED Time was 7:30 p.m.

Sharon Morehouse stated she came to the meeting early and heard the question about possible increases but she did not see any salary percentages on paper. She asked council if they had this information. Mayor Corey advised he did not have any specific information on increases related to salaries. Mr. Sawyer stated any particular position

would be easy enough to calculate from the budget package but there is not a general chart of every single line item. Mayor Corey advised the city council tried to use comparables within a population range in the city's geographic area and tried to calculate what the comparables were and the city is at 90 to 100 percent of those comparables. Ms. Morehouse stated Frankenmuth was listed but Frankenmuth has an income on activities that Corunna will never see. If the council was talking about a three percent increase on salaries, then she could understand this, but if council was talking about a five, six, seven or eight percent salary increase, then she as a citizen should not see that increase because the city has other workers that do not get that increase. Mayor Corey stated he did not believe the city was doing across the board increases. The city is trying to do salary equities because most of the department heads are not at 100 percent of the comparables. He further stated the city is trying to stay within the budget framework and still pay people using step increases. He also stated some people end up with step increases in certain contracts and also end up with a percentage increase as well. The city is not doing a percentage increase across the board. Ms. Morehouse stated that information should be made available to all citizens as long as the citizens are the taxpayers. Bob Buschman asked if there were any position eliminations or reductions in services and if the city would continue at that level because there is nothing that he could see. Mayor Corey advised there are no eliminations of any positions at this point and as far as services, everything the city does is a service. He further advised Mr. Johnson stated earlier that the city has water, ambulance, fire and police but those are not the only services the city has. There is a whole staff here at city hall that backup those things and water, sewer, fire and ambulance might be the most visible things to the people but there is a whole lot that goes on in the background. He also advised the city could continue to do what it is doing but as the pot continues to get smaller, there could be a point where the city will have to cut services or lay off people, which will cut services. Mayor Corey stated he believes the city council has gone way beyond in trying to look down the road because at some point, the city will not have services unless the city can generate more money. The city has rezoned property to encourage commercial growth and the city has purchased a piece of land to start industrial property because without commercial or industrial property, the city will not have the funds to maintain what the city has now. Mr. Buschman asked if there were any plans to eliminate any people or positions. Mayor Corey advised nothing at this time. Mr. Sawyer stated there are no layoffs in the budget proposal, but there is one full-time police officer position that is not currently funded in 2005. The city anticipates a retirement but the refilling of that position has not been funded. Mr. Johnson asked if the same set of comparables would be used for the department of public works and police department and everyone else who are getting raises or just a few people. Mr. Sawyer advised any comparison to Frankenmuth is misleading because the City of Frankenmuth pays their city manager \$80,000 a year. The budget before council in no way anticipates, recommends or suggests that the City of Corunna will ever pay the city manager position at that level. He further advised the city's union employees are paid above the comparables as compared to being 15 or 20 percent below the comparables for administrative staff. If the same standards that apply to the unions are applied to the administrative staff, the city would be asking for pay reductions. Larry Friess asked if the city would cut the department of public works hours back to make up some of the money that will be given to some of the people that the city council think deserve a raise. Mr. Sawyer stated when it comes to the

department of public works, there is one additional full-time employee budgeted. Mr. Friess asked if a new person would be added. Mr. Sawyer advised the city has budgeted for the addition of a new position and there will be some reduction in part-time positions. Mr. Friess stated he is an old union person and everyone knows when it comes time for cuts, the unions are always asked for a cut in pay and the union guys are willing to help out, but two months later, the big shot gets a raise. He further stated let's say the city council decides to give the city manager or whomever a 15 percent raise because the person did one heck of a job, but there is a lot of union people that do a lot of work that they do not get paid for. Bob Morehouse stated he understood what the mayor was saying about bringing everyone up to a level, but when a person is hired, the person is hired in at a certain wage and the person is either satisfied or dissatisfied. Everyone was hired in at a certain wage but the current percentage rate seems to be two or three percent at the most. He further stated if a person is doing the job, then the person should be offered a percentage increase and that is it. He also stated the city council is representing the people and not themselves. Councilperson Sanderson stated the comparisons are nice to look at but he does not have much faith in them because he wondered where the city would be right now without the four people who are up for raises. He further stated he bet that Mr. Sawyer could not tell when the last time he worked less than 60 hours because he is at city hall all of the time. When he has asked Mr. Sawyer for some paperwork by the next meeting, he has been told the information would be ready tomorrow or the next day. He also stated how does he know that the guy in Frankenmuth fell into a luxury job where he does not have to do anything. He suggested to the citizens that they should come to city hall to see what goes on and what has gone on because when Mr. Sawyer took over, this city was in a complete mess and anyone who says the city was not in a mess has not looked at the facts. Councilperson Sanderson advised the four people who are given anything tonight deserve it. Councilperson Lantis stated she was sure everyone does exceptional work at whatever jobs everyone has and we all have felt that we did more work than anyone else and maybe we did not always reap the benefits of that work but that was not the question. She further stated she wanted to comment on some of the things that the people in the audience mentioned. The reason she mentioned Frankenmuth was because this was one of the seven cities that was used as a comparison. She also stated she did not come up with this information; the information was given to the council to come up with salaries and then council came up with an average. Corunna is not going to pay its manager what the Frankenmuth manager is paid but this was part of the comparable, which brought the salary up. Councilperson Lantis advised it was mentioned earlier that she was making some false accusations but if she were wrong, she would be the first one to say she is wrong and apologize. She took seven cities with the same population as this comparable to come up with a salary and she came up with a different average and this information is available to any of the councilmembers or anyone in the audience. She further advised another comment was made about unions that she completely agreed with and she felt there would be a division amongst the employees because not only is the city council picking and choosing who will get raises but the raise percentages are not even the same. Some raises are eight percent, 10.7 percent, and 15 percent, which are being based on comparables from cities that the city cannot compare with. She also advised she would not want to cause a division amongst employees where some employees do not get anything while someone else did so that person must be more important. If the park will not get

mowed as much yet hours were being added at the administration level and a new job was created within the past year at the administration level, then this is when some concerns come about and she appreciated the citizens voicing their opinions. Councilperson Johnson stated she was having a hard time in her heart with this budget. She believes freezes might be the way to go because the city does not have the money. She further stated Mr. Sawyer does a fantastic job as does everybody else in his office but they all have flaws too. She did not want to sit here and say that the people do not deserve the money, but right now, the city cannot afford to do this. Councilperson Mehig stated he had a comment for Councilperson Lantis. She has some legitimate points and concerns, but if she had been at all of the budget workshops, some of her concerns might have been answered at that time. Councilperson Lantis apologized to the council for missing the budget meetings but some of the other councilmembers missed some of the earlier budget meetings that she was at. She attended the second and third budget meetings and voiced her opinions and concerns and asked questions at that time. Councilperson Lantis stated at that time that she would feel more comfortable if everyone got a one or two percent raise across the board so everyone would be treated equally. She further stated as the council was cutting services to the citizens, the budget was adding additional hours at city hall and giving pay increases at different percentages to only a few and she advised she could not support this budget. Councilperson Runyan stated he has sat on several councils and at one time, five percent increases were automatically given every year and that was not right. Council is trying to put something in place like the step procedure to equalize people. He further stated in some cases, someone will get more of a raise than another, but this is equitable to everybody. The city will not know until the union contracts are done where the city would be. He also stated if the city council is looking out for the city as a whole, the council is looking out for every taxpayer of the city. Sometimes the city might have to bite the bullet and this might be one of those times. Councilperson Lantis stated she fully agreed with Councilperson Runyan but the council need to use comparables that are comparable to this city and believes taxable values are important because salaries are not based on the population of the people. She further stated she found it hard to believe that Corunna's \$52,000,000 taxable value is being compared to some cities that have a \$119,000,000 or \$225,000,000 taxable value. She further stated those cities cannot be used as comparisons and the council has to come up with more realistic cities that have taxable values and population more closely related to Corunna. Johnson moved, Wagner seconded to leave the public hearing discussion for the 2004/2005 budget and return to regular session.

Roll call vote:

Yes: Runyan, Wagner, Sanderson, Mehig, Johnson.

No: Lantis.

Motion CARRIED Time was 7:53 p.m.

Runyan moved, Mehig seconded to adopt the following 2004/2005 budget resolution. Councilperson Johnson asked if the pay raises go into effect if the budget is adopted. Mr. Sawyer advised yes as of July 1 unless instructed otherwise. Mayor Corey asked if it was possible to change the salaries at a later time prior to July 1 if the budget is passed. Mr. Sawyer advised yes.

RESOLUTION TO ADOPT THE BUDGET

WHEREAS, The City Charter of the City of Corunna states that “Not later than the third Monday in May the Council shall, by resolution, adopt the budget for the next fiscal year and shall in such resolution appropriate the money required for such budget and provide for a levy of the amount necessary to be raised by taxes upon real and personal property for municipal purposes....”

NOW THEREFORE BE IT RESOLVED, that the budget appropriations for the City fiscal year beginning July 1, 2004 after recommendation by the City Manager and as adopted by the City Council as follows:

		<u>REVENUES</u>	<u>EXPENDITURES</u>
General Fund		\$1,680,631	
<u>Dept. #</u>	<u>Dept. Name</u>		
101	City Council		\$63,133
172	City Manager's Office		104,150
191	Elections		7,400
203	Internal Services		68,327
210	Legal Assistance		0
215	City Clerk's Office		78,808
253	City Treasurer's Office		67,413
265	Municipal Building		46,741
301	Police		390,409
336	Fire		128,052
371	Building – Zoning		0
430	Crossing Guard		2,135
441	Public Works		274,042
442	Sidewalk Construction Program		0
458	Construction Projects		0
460	Historical Commission		1,442
461	Mitchell Fields		2,806
500	Planning Commission		1,900
691	Parks & Recreation		70,642
692	McCurdy Park Community Center		19,553
695	Assessment Review		65,728
696	Activities and Events		3,100
698	Summer Rec. Baseball/Softball		22,374
750	City Services		208,653
954	Insurance and Risk Management		20,343
955	Retiree's Benefits		33,480
TOTAL		\$1,680,631	\$1,680,631

BE IT, the same is hereby adopted, and the amount therein provided as recommended; appropriations are hereby appropriated according to the departmental totals.

BE IT FURTHER RESOLVED, that in order to carry out the provisions of the above described budget, the following tax rate shall be applied to the completed assessment roll with a taxable valuation of 54 million, 138 thousand, 779 dollars as approved by the City of Corunna Board of Review, and as required by Michigan Constitution, and be applied to all properties subject to the Industrial Facilities Taxes which have a complete assessment roll valuation of 879 thousand, 100 dollars at one half the tax rate.

Total City Tax Levy for General Fund Purposes July 1, 2004 = 13.3928 per \$1,000 of Taxable Valuations, subject to all related provisions of the Truth in Taxation and Headlee Amendment. Total City Debt Tax Levy for City Improvements July 1, 2004 = 4.8664 per \$1,000 of Taxable Valuations, subject to all related provisions of the Truth in Taxation and Headlee Amendment.

BE IT FURTHER RESOLVED, to adopt the following budget appropriations:

INDEPENDENT REVENUE FUNDS

Major Street Fund	202	\$150,750
Local Street Fund	203	109,500
Fire Truck Fund	352	0
Municipal Building Fund	213	37,500
Parks Improvement Fund	208	35,000
Cemetery Fund	209	37,000
City Improvements Fund	245	312,629
Building/Zoning Fund	249	20,500
Library Fund	271	0
1996 Equalization Facility Bonds Payable Fund	365	45,843
1996 G.O. Limited Tax-Bonds Fund	366	114,305
1998 MTF Bonds Payable	368	22,485
2000 G.O. Limited Tax Bonds	370	83,956
2001 G.O. Limited Tax Bonds	372	48,090
Stu Coutts Recreation Fund	214	27,000
Economic Development	244	40,235
Heritage Park Fund	216	5,500
Library Building Fund	217	0
Library Technology Fund	218	0
Kingsley/McArthur Construction Fund	412	82,913
Streetscape Construction Fund	413	35,000
Bridge Construction	414	175,000
North Shiawassee Construction Fund	415	0
Industrial Development Fund	422	137,153
Waste Water Collection Fund	590	680,742
Water Fund	591	571,344
Motor Vehicle Pool Fund	661	213,117

Pine Tree Perpetual	150	4,000
Tax Collections Fund	870	2,545,619
Downtown Development Authority		0
Fourth of July Commission		24,300
Historical Commission		22,550
Softball Commission		41,060

BE IT FURTHER RESOLVED, that the City Manager as Chief Administrative Officer be allowed to exceed any line item within any specific department or fund including both revenues and expenditures providing that the total end of the year expenditures titled “Total” or “Grand Total” for the department or fund at issue does not exceed the original appropriation, and if the total department or fund appropriation should exceed either of the above prior to such exceeding, the City Council must make a supplemental adjustment to the appropriation.

Roll call vote:

Yes: Sanderson, Mehigh, Wagner, Runyan.

No: Johnson, Lantis.

Motion CARRIED

CALL TO AUDIENCE: Larry Friess advised he heard someone state that Mr. Sawyer brought us out of the dark ages but he does not remember being in the dark ages when he sat on the council for 10 years. New streets were put in this town in the 1970’s and Mitchell Field was put in at no expense to the city other than the upkeep. He further advised he always hears that the other councils did not do anything and this council may think that the previous councils did not do anything but the next council is going to say that the clowns in 2000 did not do anything either. He also advised sitting in the audience and hearing this stuff makes him feel that he wasted 10 years of his life with the city, but he loves this city and hopes he has done some good. He knew he was not the best councilperson but he did not think he was the worse one. Mayor Corey stated he did not think there was any intent to disparage any previous council.

Bob Morehouse asked if the taxpayers have the right to know who the council was specifically talking about giving 15 percent and eight point one percent increases to. Mayor Corey advised yes, city hall could provide him with that information because salaries are public information. Mr. Morehouse asked Mayor Corey if he knew who was given 15 percent or what the amount went from. Mayor Corey advised not on a percentage basis. Mr. Morehouse asked if he heard some percentages mentioned. Mayor Corey advised he needed to address that question to Councilperson Lantis. Councilperson Lantis advised yes, she had them with her and the line item and page number but she was not sure if she was allowed to give out the information. She further advised she calculated the percentages from the information that was given to her. Mr. Morehouse stated he appreciated the no answers.

ROUNDTABLE DISCUSSION: Councilperson Johnson stated last Thursday the Shiawassee

County Medical Care Facility was evacuated and everyone did an outstanding job with the evacuation. She further stated 126 people were evacuated within a short time period and the situation was serious, but this was also good training for everyone.

Councilperson Lantis stated she appreciated the work that everyone is doing in the city and all of the city employees are doing a wonderful job, but she felt with the economic difficulties the city is facing, she had to vote no on the budget because she could not agree with the salary increase percentages.

Councilperson Mehigh stated he thought the meeting with the Downtown Development Authority on Saturday was very fruitful and some of the long-term plans will pay great dividends.

Mayor Corey agreed with Councilperson Mehigh and thought the meeting was very productive. He asked council if they would be willing to do a semi-annual cleanup for the city residents. Councilperson Mehigh stated he talked to Joe DeCaire and was advised that Mr. DeCaire thought he would be able to get some trash dumpsters free of charge if the city decided to have a city cleanup. Mayor Corey stated this might be something the council would want to put on the Committee of the Whole agenda. He further stated the evacuation went very well for not being a drill.

ADJOURN: Runyan moved, Johnson seconded to adjourn. Roll call vote: Yes: Mehigh, Lantis, Runyan, Johnson, Sanderson, Wagner. No: None. Motion CARRIED
Time was 8:03 p.m.

STEVE COREY, MAYOR

YVONNE F. LONG, CITY CLERK